

OVERVIEW OF SOME OF THE CONTROVERSIAL SPENDING CUTS IN BUSH BUDGET

Following is an overview of some of the controversial cuts in domestic discretionary programs contained in the Bush budget.

Domestic Discretionary Spending Overall

- **Cuts Non-Homeland Security Domestic Discretionary Spending** – While the Administration's budget proposes large increases for defense and homeland security, it proposes cuts in non-homeland security domestic spending. The Administration is proposing cuts in domestic discretionary spending even though it has found room in its budget for \$675 billion in new tax cuts (on top of the \$1.7 trillion in tax cuts enacted last year). Specifically, according to estimates by the Democratic staff of the House Budget Committee, under the Administration's budget, funding for non-homeland security domestic discretionary spending is \$15.8 billion – or 5% – below the level needed to maintain purchasing power at the FY 2002 level.

Education

- **Cuts Funding for Bipartisan Education Reform Bill** – In early January, President Bush signed into law the Bipartisan Education Reform bill, which is designed to raise student achievement levels through a combination of higher standards, stronger accountability, and increased resources – calling for higher standards for schools, teachers, and students alike. However, as Rep. George Miller, Ranking Democrat on the Education and the Workforce Committee, has pointed out, "The President's budget breaks the promise he made to our public schools just one month ago when he signed the historic new education bill into law." Specifically, the President's budget not only fails to provide all the funding authorized for the Bipartisan Education bill, it actually cuts funds for these programs from the FY 2002 enacted level by \$90 million – to \$22.1 billion in FY 2003.
- **Cuts Educational Technology Programs** – The Administration's budget cuts funding for educational technology programs by a total of \$134 million – or by 16%. Under the Administration's budget, funding for educational technology programs would drop from \$856 million in FY 2002 to \$722 million in FY 2003. In making this cut, the budget takes such steps as eliminating funding for such programs as Teacher Technology Training and Community Technology Centers.
- **Cuts Safe and Drug-Free Schools Programs** – The Administration's budget cuts funding for Safe and Drug-Free Schools Programs by a total of \$102 million – or by 14%. Under the Administration's budget, funding for Safe and Drug-Free Schools programs would drop from \$746 million in FY 2002 to \$644 million in FY 2003.

- **Cuts Even Start** – The Administration’s budget cuts funding for Even Start by \$50 million – or by 20%. Under the Administration’s budget, funding for Even Start would drop from \$250 million in FY 2002 to \$200 million in FY 2003. Even Start supports local projects that blend early childhood education, parenting instruction, and adult education into a unified family literacy program.
- **Cuts Teacher Quality** – The Administration’s budget cuts overall funding for Teacher Quality programs by a total of \$105 million – or by 3%. Under the Administration’s budget, funding for Teacher Quality programs drops from \$3.1 billion in FY 2002 to \$3.0 billion in FY 2003. The largest Teacher Quality program is the Teacher Quality State Grants program which the budget freezes at the FY 2002 enacted level of \$2.85 billion – resulting in a cut in the purchasing power of the program.
- **Freezes Bilingual Education** – The Administration’s budget freezes FY 2003 funding for Bilingual Education programs at the FY 2002 enacted level of \$665 million – which will result in a cut in the purchasing power of the programs.
- **Freezes TRIO** – The Administration’s budget freezes FY 2003 funding for TRIO programs at the FY 2002 enacted level of \$802 million – which will result in a cut in the purchasing power of the programs. The TRIO programs provide a variety of outreach and support services to encourage low-income potential college students to enter and complete college.
- **Freezes GEAR-UP** – The Administration’s budget freezes FY 2003 funding for GEAR-UP at the FY 2002 enacted level of \$285 million – which will result in a cut in the purchasing power of the program. The GEAR-UP program provides funds to states and local partnerships to help low-income students prepare for college, starting in the 7th grade.
- **Freezes Head Start Enrollment** – Funding for Head Start is \$6.537 billion in FY 2002. The Administration’s budget provides \$6.667 billion for Head Start for FY 2003. But this additional \$130 million only provides an inflation adjustment and does not allow the program to serve additional children. This is despite the fact that only about 50% of eligible children are able to enroll in Head Start due to lack of funding.
- **Eliminates 28 Elementary and Secondary Education Programs** – The Administration’s budget eliminates 28 elementary and secondary education programs, including such congressional priorities as Drop-Out Prevention, Rural Education, and many technology programs.

Health Care

- **Cuts Training Doctors in Children’s Hospitals Below FY 2002 Enacted Level** – The Administration’s budget cuts grants to train doctors at children’s hospitals by \$85 million – or by 30% – below the FY 2002 enacted level. Funding drops from \$285 million in FY 2002 to \$200 million in FY 2003. These funds are currently used

by children's teaching hospitals to offset the higher costs of providing advanced training to pediatricians.

- **Cuts Numerous Other Health Care Programs Below FY 2002 Enacted Level** – The Administration's budget also cuts numerous other health care programs below the FY 2002 enacted level – including the following: 1) telehealth activities are cut by \$33 million – or by 85% – below the FY 2002 enacted level; 2) rural health activities are cut by \$54 million – or by 42% – below the FY 2002 enacted level; and 3) with the exception of assistance for nursing, health professions programs are cut by \$278 million – or by 72% – below the FY 2002 enacted level.
- **Freezes Numerous Health Care Programs at FY 2002 Enacted Level** – The Administration's budget also cuts the purchasing power of the following health care programs by freezing them at the FY 2002 enacted level: Ryan White AIDS activities; Maternal and Child Health Block Grant; Healthy Start; Preventive Health Block Grant; Mental Health Block Grant; and children's mental health services.
- **Eliminates Certain Other Health Care Programs** – The Administration's budget also eliminates certain health care programs, including the Community Access Program for the uninsured and universal newborn hearing screening.

Job Training

- **Cuts Employment and Training Programs Overall** – Even though unemployment has increased sharply in recent months, the Administration's budget seeks cuts in several job training programs for laid-off workers and for young adults most affected by the rise in unemployment. Indeed, the Administration's budget cuts funding for employment and training programs overall by \$686 million – or by 12% – from the FY 2002 enacted level of \$5.7 billion.
- **Cuts Dislocated Workers Program** – Indeed, despite the fact that hundreds of thousands of Americans have been laid off of their jobs, the Administration's budget calls for actually cutting the Dislocated Workers program by \$166 million – or by 11% – from \$1.55 billion in FY 2002 to \$1.38 billion in FY 2003!! It is unbelievable that at a time when the number of unemployed Americans has grown by 40% – from 5.6 million Americans in December 2000 to 7.9 million Americans today – that the Administration would propose slashing this program that provides retraining for those who have lost their jobs.
- **Cuts Job Training for Adults** – Also, despite the rise in unemployment, the Administration's budget calls for cutting the Job Training for Adults program by \$50 million – or by 5% – from \$950 million in FY 2002 to \$900 million in FY 2003.
- **Slashes Youth Opportunity Grants** – Youth Opportunity Grants, created by Congress in 1998, are designed to increase the long-term employment of youth who live in empowerment zones, enterprise communities, and other high-poverty areas. The Administration's budget slashes funding for Youth Opportunity Grants by \$181 million or by 80% – from \$225.1 million in FY 2002 to \$44.5 million in FY 2003. This

proposed cut would hurt some of the nation's poorest communities, including parts of Detroit, Houston, Los Angeles and Philadelphia.

Environment

- **Cuts Environmental Programs Overall** – The Administration's budget significantly cuts funding for programs that protect public health and the environment. The budget provides \$28.3 billion in appropriations for these programs, which is \$1.5 billion (5%) below the FY 2002 enacted level and \$2.4 billion (8%) below the level needed, according to CBO, to maintain current purchasing power. The budget includes FY 2003 cuts from the FY 2002 enacted level such as the following: a cut of \$283 million (3.5%) for the Environmental Protection Agency and a cut of \$121 million (3.6%) for the National Oceanic and Atmospheric Administration.

Law Enforcement

- **Slashes Assistance to State and Local Law Enforcement** – The Administration slashes assistance to state and local law enforcement by \$1.7 billion – or by 69% – cutting funding from \$2.4 billion in FY 2002 to \$752 million in FY 2003. In making this cut, the budget recommends cutting and consolidating several state and local law enforcement programs and merging those programs into a new Justice Assistance Grant Program.
- **Cuts Juvenile Justice Programs** – Juvenile justice programs provide grants and other assistance for states and localities to help combat juvenile delinquency. The Administration's budget provides \$251 million for juvenile justice assistance for FY 2003, a \$54 million – or 18% – cut below the level needed, according to CBO, to maintain purchasing power at the FY 2002 level.

Housing

- **Cuts Public Housing Funds** – Continuing the practice of cutting funds for critical repairs to public housing begun in its FY 2002 budget, the Administration cuts the Public Housing Capital Fund to \$2.4 billion, \$417 million – or 15% – below the FY 2002 enacted level. Nationwide, public housing – home to 1.2 million families, 40 percent of whom are elderly or disabled – faces a \$20 billion backlog of unmet repair needs with an additional \$2 billion in needs accruing each year.

Child Care

- **Freezes Child Care Funding** – The Administration's budget freezes FY 2003 funding for the Child Care and Development Fund at the FY 2002 enacted level of \$4.8 billion, thereby reducing the purchasing power in the Child Care and Development Block Grant alone by \$40 million.

LIHEAP

- **Cuts LIHEAP** – At a time when the country is in recession and unemployment is

rising, the budget cuts funding for the Low-Income Heating and Energy Assistance Program (LIHEAP) by \$300 million, providing \$1.7 billion.

Highway Programs

- **Slashes Highway Funding** – The Administration’s budget slashes funding for the highway program by \$9.1 billion – or a drastic 29% -- from \$31.8 billion this year to \$22.7 billion in FY 2003. As the Chairman and Ranking Democrat on the Transportation and Infrastructure Committee have pointed out, *“This unprecedented 29 percent cut in highway funding would severely disrupt state highway infrastructure investment programs and require states to postpone or abandon many scheduled projects. The nation cannot afford this drastic \$9.1 billion cut in our states’ highway investments in these economic times. This cut could result in hundreds of thousands of Americans being thrown out of work when both sides of the aisle agree that we need more family wage jobs.”*

Technology

- **Cuts Technology Programs** – The Advanced Technology Program provides assistance to U.S. businesses and joint research and development ventures to help them improve their competitive position. The Administration cuts its budget by \$41 million or by 22% – to \$146 million in FY 2003. The Manufacturing Extension Partnership enhances the competitiveness of small U.S. manufacturers by providing them with access to technologies and expertise. The Administration slashes its budget by \$98 million or by 88% – to \$13 million in FY 2003.

Community and Economic Development

- **Cuts Community and Economic Development** – The Administration’s budget cuts several community and economic development programs. For example, it provides \$4.7 billion for Community Development Block Grants, a \$379 million (or 7%) cut below the level needed to maintain purchasing power at the FY 2002 level. It also provides \$317 million for Economic Development Assistance, a \$24 million (or 7%) cut below the level needed to maintain purchasing power at the FY 2002 level.

Agriculture

- **Cuts Discretionary Agriculture Programs** – The Administration’s budget cuts FY 2003 funding for discretionary agriculture programs by \$870 million – or by 15% – below the level needed, according to CBO, to maintain purchasing power at the FY 2002 level. These cuts include closing Agriculture Department field offices around the country and eliminating such programs as the Wetlands Reserve Program.